

# **AGENCY STRATEGIC PLAN**

**FOR THE FISCAL YEARS**

**2005-2009**



**DEPARTMENT OF FINANCE AND ADMINISTRATION  
REVENUE DIVISION**

**FUNCTIONAL AREA: CONSTITUTIONAL & ADMINISTRATIVE**

# **AGENCY STRATEGIC PLAN APPROVAL FORM**

**FOR THE FISCAL YEARS**

**2005-2009**

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**Director**

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# STRATEGIC PLAN

<b>Agency Name</b>	<b>DEPARTMENT OF FINANCE AND ADMINISTRATION – REVENUE</b>
<b>Agency Mission Statement:</b>  To provide Arkansas Citizens convenient, effective and courteous services which will encourage voluntary compliance with tax and license laws.	

**AGENCY GOAL 1:** Promote voluntary compliance with tax and license laws through fair administration, firm enforcement, and prompt and courteous service in a manner that justifies the highest degree of public confidence in our efficiency and integrity.

**AGENCY GOAL 2:** Improve operational efficiency.

## STRATEGIC PLAN

<b>Agency Name</b>		<b>Department of Finance and Administration - Revenue</b>
<b>Program</b>		<b>Driver and Motor Vehicle Services</b>
<b>Program Authorization</b>		Act 134 of 1911, Act 142 of 1949, Act 555 of 1965, Ark Code Ann. §27-14-101, et seq., §27-15-101, et seq., §26-52-301, et seq., and §26-53-126, Arkansas Code, 27-16-101 et. seq., 27-19-101 et. seq., 27-20-101 et. seq., 27-23-101 et. seq., 27-50-801 et. seq., 27-50-901 et. seq.
<b>Program Definition:</b>  <b>Program Funds-Center Code: <u>0630P01</u></b>		To administer vehicle registration and titling laws and issue driver licenses and maintain driver records.
<b>AGENCY GOAL(S) #</b>	<b>1,2</b>	
<b>Anticipated Funding Sources for the Program:</b>		State Central Services Fund and Commercial Driver License Fund (Special Revenue)

### GOAL 1:

Promote voluntary compliance with tax and license laws through fair administration, firm enforcement, and prompt and courteous service in a manner that justifies the highest degree of public confidence in our efficiency and integrity.

#### **OBJECTIVE 1: (Sub-Fund Center Code to be assigned by DFA - Accounting)**

To ensure accurate collection of state revenues for driver's license fees and motor vehicle fees through the operation of a statewide network of local revenue offices.

#### **STRATEGY 1:**

Annual review of local revenue offices to determine accuracy, efficiency and effectiveness by reviews of work performed in the offices, office cost, and a customer satisfaction survey.

### GOAL 2:

Improve operational efficiency.

#### **OBJECTIVE 1: (Sub-Fund Center Code to be assigned by DFA - Accounting)**

To maintain driver records, accident reports, driver license suspensions, insurance verification, and identify and work with problem drivers.

# **STRATEGIC PLAN**

## **STRATEGY 1:**

The total number of driver license transactions processed each year is controlled by citizens transferring to the state, those residing in state reaching the age for issuance of an initial license, and those renewing a current license. Driver Services will reach the goal for each fiscal year by providing information on the Internet, providing brochures, sending renewal notices by mail, providing telephone information services, and press releases on how to obtain or renew a license and reviewing the licensing process to see if it can be made simpler and faster for the public to use.

## **STRATEGY 2:**

Driver Services will reach this goal by reviewing the current process of coding and data entry for each accident report and make changes to improve the workflow process thereby increasing the efficiency and speed of recording accidents. Driver Services will also work with the state police on developing a totally automated process for the entry of accident reports into our database that will decrease the time needed for recording accidents.

## **STRATEGY 3:**

Driver Services will reach this goal by reviewing the current process of coding and data entry for each court action and make changes to improve the workflow process thereby increasing the efficiency and speed of recording court actions. Driver Services will also work with the various individual courts and the Administrative Office of the Courts to develop and implement an automated process of receiving court actions directly from courts into our database thereby decreasing the time needed for recording court actions.

## **STRATEGY 4:**

Driver Services will reach this goal by establishing direct contact with those drivers not complying with the financial responsibility requirements and taking action against their driving and vehicle registration privileges until they do comply. This action will encourage compliance in the future to avoid this type of repeat contact. Driver Services will also work to better inform the public of the requirements for filing insurance reports with our office. Driver Services will review the Insurance Verification Notification Network database to validate those who have insurance but have failed to provide the required financial responsibility notice to the state. This will eliminate sending notices to those who actually have insurance but did not timely report coverage.

## **STRATEGY 5:**

Driver Services will reach this goal by informing the public of the availability of phone hearings on all letters involving hearings, setting out the advantages of phone hearings over having to drive to a location and wait for a hearing. Driver Services will also reduce the number of locations for holding hearings and the frequency of driving to satellite locations for holding hearings thereby encouraging the use of phone hearings by the public.

# **STRATEGIC PLAN**

## **OBJECTIVE 2: (Sub-Fund Center Code to be assigned by DFA - Accounting)**

To maintain tag inventories, renewals, title and registration data for vehicles and boats and augment registration and title activities of revenue offices.

### **STRATEGY 1:**

Order and maintain sufficient quantities of tags, decals, titles and other consumable vehicle registration and title materials to meet customer demands.

### **STRATEGY 2:**

Operate and maintain the vehicle registration system, including the creation and maintenance of accurate, permanent records of vehicle ownership.

### **STRATEGY 3:**

Provide phone, Internet, mail-in, and private service agent alternatives for annual tag renewals.

### **STRATEGY 4:**

Administer the International Registration Plan (IRP) for the registration and titling of trucks operated in interstate commerce under the provisions of the IRP.

## STRATEGIC PLAN

<b>Agency Name</b>	<b>Department of Finance and Administration - Revenue</b>
<b>Program</b>	<b>Driver and Motor Vehicle Services</b>

### PERFORMANCE MEASURES: (Effort, Output, Outcome, and/or Efficiency)

<b>DESCRIPTION</b> (Indicate the Goal and Objective to which applicable)	<b>METHODS AND SOURCES USED OBTAINING DATA</b>	<b>FISCAL YEAR 2005</b>	<b>FISCAL YEAR 2006</b>	<b>FISCAL YEAR 2007</b>	<b>FISCAL YEAR 2008</b>	<b>FISCAL YEAR 2009</b>
Percentage of driver and motor vehicle renewal transactions processed via Internet, mail, telephone or 3 <sup>rd</sup> party. <i>Goal 1, Objective 1</i>	Measurement of categories to total renewal transactions  Efficiency	20%	22%	25%	30%	35%
Number of driver license transactions processed. <i>Goal 2, Objective 1</i>	Annual count  Output	615,000	622,160	628,381	634,65	641,012
Number of motor vehicle transactions processed (registration, title, renewal). <i>Goal 2, Objective 2</i>	Annual count  Output	2,828,000	2,856,000	2,885,000	2,915,000	2,940,000
Percentage of accident reports recorded in 7 business days after receipt. <i>Goal 2, Objective 1</i>	Monthly count  Outcome	96%	96%	97%	97%	98%
Percentage of court actions affecting the status of a driver licensee entered in the data system within 7 business days after receipt. <i>Goal 2, Objective 1</i>	Monthly count  Outcome	85%	89%	92%	95%	97%



## STRATEGIC PLAN

<b>Agency Name</b>	<b>Department of Finance and Administration - Revenue</b>
<b>Program</b>	<b>Driver and Motor Vehicle Services</b>

### PERFORMANCE MEASURES: (Effort, Output, Outcome, and/or Efficiency)

<b>DESCRIPTION (Indicate the Goal and Objective to which applicable)</b>	<b>METHODS AND SOURCES USED OBTAINING DATA</b>	<b>FISCAL YEAR 2005</b>	<b>FISCAL YEAR 2006</b>	<b>FISCAL YEAR 2007</b>	<b>FISCAL YEAR 2008</b>	<b>FISCAL YEAR 2009</b>
Percentage of court actions affecting the status of a driver licensee entered in the data system within 7 business days after receipt.  <i>Goal 2, Objective 1</i>	Monthly count  Outcome	85%	89%	92%	95%	97%
Percent of drivers involved in accidents complying with financial responsibility requirements.  <i>Goal 2, Objective 1</i>	Monthly count  Outcome	92%	93%	94%	95%	96%
Percentage of driver control hearings conducted over the telephone.  <i>Goal 2, Objective 1</i>	Monthly count  Outcome	2%	3%	3%	3%	3%
Percentage of customers satisfied with driver and motor vehicle services based on a customer satisfaction survey.  <i>Goal 1, Objective 1</i>	Monthly count  Outcome	95%	96%	96%	97%	97%

## STRATEGIC PLAN

<b>Agency Name</b>		<b>Department of Finance and Administration - Revenue</b>	
<b>Program</b>		<b>Taxation Administration</b>	
<b>Program Authorization</b>		Arkansas Code Annotated §§ 2-8-101 et seq., 2-20-101 et seq., 2-35-101 et seq., 2-40-101 et seq., 3-4-201 et seq., 3-5-101 et seq., 3-7-101 et seq., 3-9-101 et seq., 8-7-901, 8-7-908, 8-9-402 et seq., 14-164-101, 15-4-1001 et seq., 15-4-1201 et seq., 15-4-1508, 15-4-1602, 15-4-1701 et seq., 15-4-1901 et seq., 15-5-1301 et seq., 17-21-101 et seq., 26-5-101 et seq., 26-17-203, 26-18-101 et seq., 26-19-101 et seq., 26-36-301 et seq., 26-51-101 et seq., 26-52-101 et seq., 26-53-101 et seq., 26-55-101 et seq., 26-56-101 et seq., 26-57-201 et seq., 26-57-901 et seq., 26-58-101 et seq., 26-59-101 et seq., 26-60-101 et seq., 26-62-101 et seq., 26-74-101 et seq., 26-75-101 et seq.	
<b>Program Definition:</b>		This program combines functions of the Office of Excise Tax Administration and Income Tax Administration, recognizing that these offices serve common taxpayer clients with similar needs.	
<b>Program Funds-Center Code: <u>0630P02</u></b>			
<b>AGENCY GOAL(S) #</b>	<b>1</b>		
<b>Anticipated Funding Sources for the Program:</b>		State Central Services	

### GOAL 1:

Promote voluntary compliance with tax and license laws through fair administration, firm enforcement, and prompt and courteous service in a manner that justifies the highest degree of public confidence in our efficiency and integrity.

#### OBJECTIVE 1: (Sub-Fund Center Code to be assigned by DFA – Accounting)

To efficiently administer Arkansas' laws for individual and corporation income taxes.

#### STRATEGY 1:

Promoting voluntary compliance with Arkansas Tax Code by utilizing enhanced processes, procedures and electronic filing systems.

#### OBJECTIVE 2: (Sub-Fund Center Code to be assigned by DFA – Accounting)

To efficiently administer Arkansas' laws for excise taxes.

#### STRATEGY 1:

Promoting voluntary compliance with Arkansas Tax Code by utilizing enhanced processes, procedures and electronic filing systems.

## STRATEGIC PLAN

<b>Agency Name</b>	<b>Department of Finance and Administration - Revenue</b>
<b>Program</b>	<b>Taxation Administration</b>

### PERFORMANCE MEASURES: (Effort, Output, Outcome, and/or Efficiency)

<b>DESCRIPTION</b> (Indicate the Goal and Objective to which applicable)	<b>METHODS AND SOURCES USED OBTAINING DATA</b>	<b>FISCAL YEAR 2005</b>	<b>FISCAL YEAR 2006</b>	<b>FISCAL YEAR 2007</b>	<b>FISCAL YEAR 2008</b>	<b>FISCAL YEAR 2009</b>
Number of tax returns processed: Income Tax / Excise Tax  <i>Goal 1, Objective 1and 2</i>	Monthly count  Output	2,042,567 / 694,985	2,052,780 / 701,963	2,062,633 / 708,029	2,071,915 / 714,166	2,080,617 / 720,365
Percentage of taxes collected voluntarily (% of total revenues collected voluntarily or pursuant to enforcement or audit activities): Income Tax / Excise Tax  <i>Goal 1, Objective 1and 2</i>	Calculation  Efficiency	99.7% / 98.36%	99.7% / 98.40%	99.7% / 98.40%	99.7% / 98.40%	99.7% / 98.40%
Revenues collected through voluntary tax collections per dollar of tax administration activity: Income Tax / Excise Tax  <i>Goal 1, Objective 1and 2</i>	Calculation  Efficiency	\$304.00 / \$480.00	\$308.00 / \$500.00	\$308.00 / \$520.00	\$308.00 / \$540.00	\$311.00 / \$560.00
Percentage of returns filed timely: Income Tax / Excise Tax  <i>Goal 1, Objective 1and 2</i>	Monthly count  Efficiency	96% / 95%	96% / 95%	96% / 95%	96% / 95%	96% / 95%
Percentage of returns filed electronically: Income Tax / Excise Tax  <i>Goal 1, Objective 1and 2</i>	Calculation  Outcome	45% / 9.40%	46.5% / 10.20%	47% / 11.00%	48% / 11.70%	50% / 12.50%

## STRATEGIC PLAN

<b>Agency Name</b>	<b>Department of Finance and Administration - Revenue</b>
<b>Program</b>	<b>Taxation Administration</b>

### PERFORMANCE MEASURES: (Effort, Output, Outcome, and/or Efficiency)

<b>DESCRIPTION</b> (Indicate the Goal and Objective to which applicable)	<b>METHODS AND SOURCES USED OBTAINING DATA</b>	<b>FISCAL YEAR 2005</b>	<b>FISCAL YEAR 2006</b>	<b>FISCAL YEAR 2007</b>	<b>FISCAL YEAR 2008</b>	<b>FISCAL YEAR 2009</b>
Average number of days to process a refund: Income Tax / Excise Tax  <i>Goal 1, Objective 1and 2</i>	Calculation  Outcome	23 / 115	23 / 110	23 / 105	23 / 100	23 / 100
Overall accuracy rate for return processing: Individual Income Tax Corporate Income Tax Excise Tax  <i>Goal 1, Objective 1and 2</i>	Calculation  Outcome	85% 78% 93%	87% 79% 94%	89% 79% 95%	89% 79% 95%	89% 79% 95%
Number of seminars presented on tax regulations.  <i>Goal 1, Objective 1and 2</i>	Count  Outcome	14	14	14	14	14
Percent of taxpayers satisfied with accessibility, accuracy and timeliness of services based on a Customer Satisfaction Survey: Individual Income Tax, Corporate Income Tax, and Excise Tax  <i>Goal 1, Objective 1and 2</i>	Monthly count  Outcome	90%	90%	92%	92%	93%

## STRATEGIC PLAN

Agency Name		Department of Finance and Administration - Revenue	
Program		Audit and Collections	
Program Authorization		Arkansas Code Annotated §§ 2-8-101 et seq., 2-20-101 et seq., 2-35-101 et seq., 2-40-101 et seq., 3-4-201 et seq., 3-5-101 et seq., 3-7-101 et seq., 3-9-101 et seq., 8-7-901, 8-7-908, 8-9-402 et seq., 14-164-101, 15-4-1001 et seq., 15-4-1201 et seq., 15-4-1508, 15-4-1602, 15-4-1701 et seq., 15-4-1901 et seq., 15-5-1301 et seq., 17-21-101 et seq., 26-5-101 et seq., 26-17-203, 26-18-101 et seq., 26-19-101 et seq., 26-36-301 et seq., 26-51-101 et seq., 26-52-101 et seq., 26-53-101 et seq., 26-55-101 et seq., 26-56-101 et seq., 26-57-201 et seq., 26-57-901 et seq., 26-58-101 et seq., 26-59-101 et seq., 26-60-101 et seq., 26-62-101 et seq., 26-74-101 et seq., 26-75-101 et seq.	
Program Definition:		This program is the enforcement and collection of taxes through audits.	
Program Funds-Center Code: <u>0630P03</u>			
AGENCY GOAL(S) #	1		
Anticipated Funding Sources for the Program:		State Central Services	

### GOAL 1:

Promote voluntary compliance with tax and license laws through fair administration, firm enforcement, and prompt and courteous service in a manner that justifies the highest degree of public confidence in our efficiency and integrity.

#### **OBJECTIVE 1: (Sub-Fund Center Code to be assigned by DFA – Accounting)**

To maximize revenue collections through enforcement and collection efforts.

#### **STRATEGY 1:**

Maintain an ongoing program of audit and verification activities to improve tax compliance and to maximize the efficiency of delinquent taxpayer contact and the collection process.

## STRATEGIC PLAN

<b>Agency Name</b>	<b>Department of Finance and Administration - Revenue</b>
<b>Program</b>	<b>Audit and Collections</b>

### PERFORMANCE MEASURES: (Effort, Output, Outcome, and/or Efficiency)

<b>DESCRIPTION</b> (Indicate the Goal and Objective to which applicable)	<b>METHODS AND SOURCES USED OBTAINING DATA</b>	<b>FISCAL YEAR 2005</b>	<b>FISCAL YEAR 2006</b>	<b>FISCAL YEAR 2007</b>	<b>FISCAL YEAR 2008</b>	<b>FISCAL YEAR 2009</b>
Number of audits completed. <i>Goal 1, Objective 1</i>	Count Output	2,997	3,028	3,088	3,119	3,151
Percent of amounts assessed in an audit actually collected <i>Goal 1, Objective 1</i>	Calculation Outcome	66%	66%	67%	67%	68%
Percent of taxpayers contacted within 30 days of assignment of case to Collections <i>Goal 1, Objective 1</i>	Calculation Efficiency	87%	88%	88%	90%	90%
Percent of insufficient checks collected <i>Goal 1, Objective 1</i>	Monthly count Outcome	77%	78%	79%	80%	80%
Additional revenue collected through enforcement and audit activities as compared to the cost of audit and collection activities. <i>Goal 1, Objective 1</i>	Calculation Efficiency	\$3.74	\$3.85	\$3.97	\$4.09	\$4.21

## STRATEGIC PLAN

<b>Agency Name</b>		<b>Department of Finance and Administration - Revenue</b>	
<b>Program</b>		<b>Administration and Support Services</b>	
<b>Program Authorization</b>		Arkansas Code Annotated §§ 2-8-101 et seq., 2-20-101 et seq., 2-35-101 et seq., 2-40-101 et seq., 3-4-201 et seq., 3-5-101 et seq., 3-7-101 et seq., 3-9-101 et seq., 8-7-901, 8-7-908, 8-9-402 et seq., 14-164-101, 15-4-1001 et seq., 15-4-1201 et seq., 15-4-1508, 15-4-1602, 15-4-1701 et seq., 15-4-1901 et seq., 15-5-1301 et seq., 17-21-101 et seq., 26-5-101 et seq., 26-17-203, 26-18-101 et seq., 26-19-101 et seq., 26-36-301 et seq., 26-51-101 et seq., 26-52-101 et seq., 26-53-101 et seq., 26-55-101 et seq., 26-56-101 et seq., 26-57-201 et seq., 26-57-901 et seq., 26-58-101 et seq., 26-59-101 et seq., 26-60-101 et seq., 26-62-101 et seq., 26-74-101 et seq., 26-75-101 et seq.	
<b>Program Definition:</b>  <b>Program Funds-Center Code: 0630P04</b>		This program provides support for the other programs in the Revenue Division. Included are the Assistant Commissioner's offices and Revenue Legal Counsel.	
<b>AGENCY GOAL(S) #</b>	<b>2</b>		
<b>Anticipated Funding Sources for the Program:</b>		State Central Services	

### GOAL 1:

Improve operational efficiency.

#### OBJECTIVE 1: (Sub-Fund Center Code to be assigned by DFA - Accounting)

Provide administrative direction and support to insure that department programs meet their objectives and performance targets.

##### STRATEGY 1:

Monitor quarterly performance measures and take appropriate action if goals are not met.

#### OBJECTIVE 2: (Sub-Fund Center Code to be assigned by DFA - Accounting)

To provide for general operations support not otherwise included in the Administration program or treated as a direct cost in other programs.

##### STRATEGY 1:

Monitor legal and other support activity to ensure that other programs receive proper support.

## STRATEGIC PLAN

<b>Agency Name</b>	<b>Department of Finance and Administration - Revenue</b>
<b>Program</b>	<b>Administration and Support Services</b>

### PERFORMANCE MEASURES: (Effort, Output, Outcome, and/or Efficiency)

<b>DESCRIPTION</b> (Indicate the Goal and Objective to which applicable)	<b>METHODS AND SOURCES USED OBTAINING DATA</b>	<b>FISCAL YEAR 2005</b>	<b>FISCAL YEAR 2006</b>	<b>FISCAL YEAR 2007</b>	<b>FISCAL YEAR 2008</b>	<b>FISCAL YEAR 2009</b>
Percentage of agency performance objectives and targets met. <i>Goal 1, Objective 1</i>	Calculation  Outcome	90%	92%	94%	95%	96%
Percentage of agency staff and budget in the administration program compared to total agency positions and budget (excluding refunds). <i>Goal 1, Objective 1</i>	Calculation  Efficiency	9%	9%	9%	9%	9%
Number of prior year audit findings repeated in a subsequent audit. <i>Goal 1, Objective 1</i>	Count  Outcome	2	1	0	0	0
Average time to deposit or credit revenues to the correct treasury account. <i>Goal 1, Objective 2</i>	Calculation  Outcome	2.5 days	2.5 days	2.4 days	2.4 days	2.3 days
Number of days to issue legal opinions requested by taxpayers. <i>Goal 1, Objective 2</i>	Count  Outcome	85	80	76	72	68
Percentage of administrative hearing decisions issued within 30 days of hearing and/or final submission. <i>Goal 1, Objective 2</i>	Calculation  Outcome	79%	79%	80%	80%	80%